



How did MWU calculate the monthly manual meter reading charge for Option 2? Can I see a cost breakdown?

Project H2O automates meter reading by wirelessly delivering information to the Madison Water Utility's billing system. When customers opt out of having an ERT installed, MWU incurs additional labor and vehicle costs to process their bills. The Public Service Commission of Wisconsin has ruled that customers who opt-out of a standard meter installation must be charged for this additional cost.

The PSC authorizes utilities to issue estimated bills when reliable reading information is not available. However, no more than two consecutive bills can be estimated, so every third bill must be based on an actual meter reading. The proposed charge is based on cost estimates for manually estimating monthly bills and obtaining a manual meter reading on a quarterly basis.

The annual estimated cost for billing "Option 2" customers is \$93.36 (\$15.42 x 4 for quarterly manual meter reading plus \$3.96 x 8 for manually estimating bills on the months the meter is not read). When this annual cost is divided by 12, the result is a monthly charge of \$7.78. Please see the table below for a breakdown of the cost estimate for manual meter reading.

Actual costs for manual meter reading will be tracked, and the monthly charge will be evaluated as part of every rate increase application. The charge could increase or decrease in the future based on actual costs.

Procedure	Average time	Cost	Cost + Burden*
Meter Reading Appointment	2 minutes	\$1.27	\$1.58
Reading the Meter	5 minutes	\$3.50	\$4.38
Manual Entry into Billing System**	5 minutes	\$3.17	\$3.96
Vehicle Charge	10 miles	\$5.50	\$5.50
Total Monthly Fee		\$13.44	\$15.42

*Labor burden is the cost to carry a labor force aside from salary actually paid (benefits, insurance, taxes).

**This cost would also apply on months the meter is not read and an estimated usage is manually entered into the billing system.